

House File 2030 - Introduced

HOUSE FILE 2030

BY STAED

A BILL FOR

1 An Act striking certain statutory repeal provisions relating
2 to the state sales and use tax and the secure an advanced
3 vision for education fund.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.2, subsection 11, paragraph b,
2 subparagraph (3), Code 2018, is amended to read as follows:

3 (3) Transfer one-sixth of the remaining revenues to the
4 secure an advanced vision for education fund created in section
5 423F.2. ~~This subparagraph (3) is repealed December 31, 2029.~~

6 Sec. 2. Section 423.2, subsection 14, Code 2018, is amended
7 by striking the subsection.

8 Sec. 3. Section 423.5, subsection 5, Code 2018, is amended
9 by striking the subsection.

10 Sec. 4. Section 423.43, subsection 1, paragraph b, Code
11 2018, is amended to read as follows:

12 b. Subsequent to the deposit into the general fund of
13 the state and after the transfer of such revenues collected
14 under [chapter 423B](#), the department shall transfer one-sixth of
15 such remaining revenues to the secure an advanced vision for
16 education fund created in [section 423F.2](#). ~~This paragraph is~~
17 ~~repealed December 31, 2029.~~

18 Sec. 5. Section 423F.4, Code 2018, is amended to read as
19 follows:

20 **423F.4 Borrowing authority for school districts.**

21 A school district may anticipate its share of the revenues
22 under [section 423F.2](#) by issuing bonds in the manner provided in
23 [section 423E.5, Code 2018](#). However, to the extent any school
24 district has issued bonds anticipating the proceeds of an
25 extended local sales and services tax for school infrastructure
26 purposes imposed by a county pursuant to former chapter 423E,
27 Code and Code Supplement 2007, prior to July 1, 2008, the
28 pledge of such revenues for the payment of principal and
29 interest on such bonds shall be replaced by a pledge of its
30 share of the revenues under [section 423F.2](#).

31 Sec. 6. REPEAL. Section 423F.6, Code 2018, is repealed.

32 EXPLANATION

33 The inclusion of this explanation does not constitute agreement with
34 the explanation's substance by the members of the general assembly.

35 Code section 423.2 imposes a state sales tax of 6 percent

1 upon the sales price of all sales of tangible personal
2 property, consisting of goods, wares, merchandise, and other
3 items designated by statute, sold at retail in the state to
4 consumers, except as otherwise provided by Code chapter 423.
5 Generally, by operation of law, a sale subject to the sales
6 tax is also subject to the use tax. Following the transfer
7 of amounts required by statute, if applicable, one-sixth of
8 the remaining state sales tax revenue from the 6 percent tax
9 is transferred to the secure an advanced vision for education
10 (SAVE) fund created in Code section 423F.2. Moneys in the SAVE
11 fund are allocated to school districts on a per pupil basis to
12 be used for infrastructure and property tax reduction purposes
13 specified in Code chapter 423F. Under current law, the sales
14 and use tax rate of 6 percent is reduced to 5 percent on January
15 1, 2030, and Code chapter 423F, along with other corresponding
16 provisions, is repealed December 31, 2029.

17 This bill repeals Code section 423F.6, which currently
18 provides for the repeal of Code chapter 423F on December 31,
19 2029. The bill also strikes corresponding repeal provisions
20 relating to the allocation of sales tax revenue and provisions
21 that reduce the state sales and use tax rate from 6 percent to 5
22 percent beginning January 1, 2030.

23 The bill also specifies a Code year for a statutory reference
24 in current law relating to the manner in which school districts
25 issued bonds payable from revenues received from the SAVE fund.